

## ARTICLE 1. DEFINITIONS

### 3500. Meaning of Words and General Definitions

(a) Words shall have their usual meaning unless the context or a definition clearly indicates a different meaning. Words used in their present tense include the future tense and words in the singular form include the plural form. Use of the word "shall" or "must" denotes mandatory conduct; "may" denotes permissive conduct; and "should" denotes recommended conduct.

(b) As used in these regulations, the following words and phrases shall have the following definitions:

- (1) "Applicant" means a natural person who has made application to be a State Licensed Real Estate Appraiser, a State Certified Real Estate Appraiser, a Course Provider or a person who has applied for a Trainee License, a Reciprocal License or a Temporary Practice Permit;
- (2) "Appraisal Standards Board (ASB)" means the board of The Appraisal Foundation;
- (3) "Appraisal Subcommittee (ASC)" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council
- (4) "Appraiser" means an individual who holds a license issued by the Office of Real Estate Appraisers;
- (5) "Appraiser Qualifications Board (AQB)" means the subcommittee of The Appraisal Foundation. The "Appraiser Qualifications Board" (AQB) is the board of The Appraisal Foundation which promulgates the minimum national requirements for licensure for licensed appraisers. The minimum national requirements includes the interpretations and clarification's of the appraiser qualifications criteria issued by AQB;
- (6) "Course Provider" means a person or organization that has been approved by the Office of Real Estate Appraisers to provide educational courses within the parameters set forth herein.
- (7) "Director" means the Director of OREA or his or her designee;
- (8) "FIRREA" means the Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 and any amendments thereto;
- (9) "Non- residential property" means all other property except one to four unit residential structures and land suitable for one to four unit residential use;
- (10) "Office" means the Office of Real Estate Appraisers, and/or the Director;
- (11) "OREA" means the Office of Real Estate Appraisers;
- (12) "Residential property" means real property containing, and land suitable for, four or fewer residential units;

(13) "Uniform Standards of Professional Appraisal Practice (USPAP)" means those standards as adopted by the Appraisal Standards Board of The Appraisal Foundation.

NOTE: Authority cited, Sections 11310, 11313, 11314, 11316, 11350 and 11361, Business and Professions Code. Reference: Sections 10, 11302, 11310, 11360 and 11361, Business and Professions Code.

## **ARTICLE 2. GENERAL REQUIREMENTS**

### **3501. Business Entities**

NOTE: Authority cited, Sections 11313, 11314 and 11325, Business and Professions Code. Reference: Sections 11320 and 11325, Business and Professions Code.

### **3521. Scope of Practice**

The types of federally related transactions which shall be performed by each class of licensed appraisers shall be as provided in Section 323.3 of Part 323 of Subchapter B of Chapter III of Title 12 of the Code of Federal Regulations.

NOTE: Authority: Section 11325, Business and Professions Code. Reference: 12 Code of Federal Regulations, Part 323, Section 323.3.

### **3522. License**

Each license shall show on its face in clear and concise language the following information:

- (a) The name of the holder;
- (b) The license number;
- (c) The scope of authority conferred by the document;
- (d) Whether restricted or limited in any manner, and if so, the nature of the restriction or limitation; and
- (e) The dates of issuance and expiration of the document.

NOTE: Authority cited: Section 11314, Business and Professions Code.  
Reference: Sections 11320 and 11321, Business and Professions Code.

### **3523. License Property of the Office**

Each license shall remain the property of the Office and shall be surrendered to the Office or its authorized representative upon order of the Director, unless otherwise ordered pursuant to these regulations.

NOTE: Authority cited: Section 11313 and 11314, Business and Professions Code. Reference: Sections 11315 and 11319, Business and Professions Code.

### **3524. Term of License**

Every original license shall be valid for the term set forth in Section 11341 of the Business and Professions Code unless otherwise ordered pursuant to these regulations.

NOTE: Authority cited: Sections 11313, and 11314, Business and Professions Code. Reference: Sections 11341 Business and Professions Code.

### **3525. Temporary Practice Permit**

- (a) In lieu of obtaining a license, appraisers with currently valid unrestricted licenses issued by another state may be issued a Temporary Practice Permit to perform a single appraisal assignment.
- (b) A Temporary Practice Permit is not required if an appraiser from another state associates with an appraiser licensed in California and the work is limited to assisting in the preparation of an appraisal under the conditions specified in Business and Professions Code Section 11324.
- (c) The applicant shall have satisfied the requirements for a license in a state or territory where the licensing provisions comply with Title XI of FIRREA and where the Appraisal Subcommittee has not issued a finding that the policies, practices or procedures of the state or territory are inconsistent with Title XI.
- (d) The license held shall be current and in good standing with the issuing state or territory.
- (e) A Temporary Practice Permit is required when any appraiser enters California to appraise or provide technical review services in a federally related transaction and the appraiser is not licensed in California.
- (f) Application for a Temporary Practice Permit shall be made on Request for Temporary Practice Permit Form REA 3009 (Rev. 5/8/00) which is incorporated by reference, or any federally-approved equivalent form to the Office at its principal office in Sacramento, together with the fees specified in Section 3582 and such information as may be requested by the Director.

(g) An appraisal assignment under such temporary practice shall be completed within one year after issuance of the Temporary Practice Permit, or within the period of time that the applicant holds a valid, current license in his or her issuing state whichever is sooner. The term of the Temporary Practice Permit shall not be extended.

NOTE: Authority cited: Sections 11313, 11314, 11324, 11340, 11350 and 11352, Business and Professions Code. Reference: Sections 11350 and 11351, Business and Professions Code.

### **3526. Consent to Service of Process**

Each applicant for and holder of a license or temporary practice permit who is a non-resident of California shall complete the Consent to Service of Process REA Form 3006 (Rev. 5/8/00) or any federally-approved equivalent form.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 1018, Code of Civil Procedure.

### **3527. Personal Information or Contact Change**

(a) All applicants for and holders of a license or temporary practice, or course provider approval permit shall submit written notice to OREA of any change to the following within 10 days on the Change Notification and Miscellaneous Requests REA Form 3011 (Rev. 5/8/00):

- (1) Name;
- (2) Residence telephone number;
- (3) Business telephone number;
- (4) Residence address;
- (5) Business name or address; or
- (6) Mailing address.

(b) The business name, address and telephone number shall be considered the applicant or licensee's address and telephone number of record for all purposes unless otherwise requested in writing by the applicant or licensee and shall be

considered a matter of public record. If no business address is provided, the mailing address shall be the address of record.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3528. Minimum Requirements**

All applicants for, and holders of, any license or permit authorized by this chapter shall meet the minimum requirements set forth in this chapter or those established by the Appraiser Qualifications Board, whichever is greater.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code; Section 1112, Financial Institutions Reform, Recovery and Enforcement Act of 1989, Public Law 101-73 (FIRREA).

### **3529. Audits**

The Office may conduct audits of applicant's, licensee's and educational provider records to determine compliance with the requirements of this chapter and state and federal law. Applicants, licensees and educational providers shall cooperate with the Office in the conduct of such audits and provide access during normal business hours to records and such information as the Office deems reasonably necessary for the completion of the audit.

NOTE: Authority cited: Sections 11313, 11314, 11328 and 11340 Business and Professions Code. Reference: Section 11328 and 11340, Business and Professions Code.

### **3530. Limitations on Licenses for Aliens**

(a) All eligibility requirements contained herein shall be applied without regard to the race, creed, color, gender, religion, or national origin of the individual applying for the public benefit.

(b) Pursuant to Section 411 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Pub. L. No. 104-193 (PRWORA)), (8 U.S.C. § 1621), and notwithstanding any other provision of this division, aliens who are not qualified aliens, nonimmigrant aliens under the Immigration and Nationality Act (INA) (8 U.S.C. § 1101 et seq.), or aliens paroled into the United States under Section 212 (d) (5) of the INA (8 U.S.C. § 1182 (d) (5)) for less than one year, are not eligible to receive any license to act as a state licensed real estate appraiser as set forth in California Business and Professions Code, Division 4, Part 3,

Sections 11300 et seq., except as provided in 8 U.S.C. § 1621(c)(2).

(c) A qualified alien is an alien who, at the time he or she applies for, receives, or attempts to receive a public benefit, is under Section 431 (b) and (c) of the PRWORA (8 U.S.C. § 1641 (b) and (c)), any of the following:

- (1) An alien who is lawfully admitted for permanent residence under the INA (8 U.S.C. § 1101 et seq.).
- (2) An alien who is granted asylum under Section 208 of the INA (8 U.S.C. § Section 1158).
- (3) A refugee who is admitted to the United State under Section 207 of the INA (8 U.S.C. § 1157).
- (4) An alien who is paroled into the United States under Section 212 (d) (5) of the INA (8 U.S.C. § 1182 (d)(5)) for a period of at least one year.
- (5) An alien whose deportation is being withheld under Section 243(h) of the INA (8 U.S.C. § 1253 (h)) (as in effect immediately before the effective date of Section 307 of Division C of Public Law 104-208) or Section 241 (b) (3) of such Act (8 U.S.C. § 1251 (b) (3)) (as amended by Section 305 (a) of Division C of Public Law 104-208).
- (6) An alien who is granted conditional entry pursuant to Section 203 (a) (7) of the INA as in effect prior to April 1, 1980. (8 U.S.C. § 1153 (a) (7)) (See editorial note under 8 U.S.C. § 1101, "Effective Date of 1980 Amendment.")
- (7) An alien who is a Cuban or Haitian entrant (as defined in Section 501 (e) of the Refugee Education Assistance Act of 1980 (8 U.S.C. § 1522 note)).
- (8) An alien who meets all of the conditions of subparagraphs (A), (B), (C), and (D) below:

(A) The alien has been battered or subjected to extreme cruelty in the United States by a spouse or a parent, or by a member of the spouse's or parent's family residing in the same household as the alien, and the spouse or parent of the alien consented to, or acquiesced in, such battery or cruelty. For purposes of this subsection, the term "battered or subjected to extreme cruelty" includes, but is not limited to being the victim of any act or threatened act of violence including any forceful detention, which results or threatens to result in physical or mental injury. Rape, molestation, incest (if the victim is a minor), or forced prostitution shall be considered as acts of violence.

(B) There is a substantial connection between such battery or cruelty and the need for the benefits to be provided in the opinion of the Office. For purposes of this subsection, the following circumstances

demonstrate a substantial connection between the battery or cruelty and the need for the benefits to be provided:

1. The benefits are needed to enable the alien to become self-sufficient following separation from the abuser.
2. The benefits are needed to enable the alien to escape the abuser and/or the community in which the abuser lives, or to ensure the safety of the alien from the abuser.
3. The benefits are needed due to loss of financial support resulting from the alien's separation from the abuser.
4. The benefits are needed because the battery or cruelty, separation from the abuser, or work absences or lower job performance resulting from the battery or extreme cruelty or from legal proceedings relating thereto (including resulting child support, child custody, and divorce actions) cause the alien to lose his or her job or to earn less or to require the alien to leave his or her job for safety reasons.
5. The benefits are needed because the alien requires medical attention or mental health counseling, or has become disabled, as a result of the battery or extreme cruelty.
6. The benefits are needed because the loss of a dwelling or source of income or fear of the abuser following separation from the abuser jeopardizes the alien's ability to care for his or her children (e.g., inability to house, feed, or clothe children or to put children into day care for fear of being found by the abuser).
7. The benefits are needed to alleviate nutritional risk or need resulting from the abuse or following separation from the abuser.
8. The benefits are needed to provide medical care during a pregnancy resulting from the abuser's sexual assault or abuse of, or relationship with, the alien and/or to care for any resulting children.
9. Where medical coverage and/or health care services are needed to replace medical coverage or health care services the alien had when living with the abuser.

(C) The alien has a petition that has been approved or has a petition pending which sets forth a prima facie case for:

1. status as a spouse or child of a United States citizen pursuant to clause (ii), (iii), or (iv) of Section 204 (a) (1) (A) of the INA (8 U.S.C. § 1154 (a) (1) (A) (ii), (iii) or (iv)),

2. classification pursuant to clause (ii) or (iii) of Section 204 (a) (1) (B) of the INA (8 U.S.C. § 1154 (a) (1) (B) (ii) or (iii)),
3. suspension of deportation and adjustment of status pursuant to section 244(a)(3) of the INA (8 U.S.C. sec. 1254) as in effect prior to April 1, 1997 [Pub.L. 104-208, sec. 501 (effective Sept. 30, 1996, pursuant to sec. 591); Pub.L. 104-208, sec. 304 (effective April 1, 1997, pursuant to sec. 309); Pub. L. 105-33, sec. 5581 (effective pursuant to sec. 5582)] (incorrectly codified as "cancellation of removal under section 240A of such Act [8 U.S.C. § 1229b] (as in effect prior to April 1, 1997),"
4. status as a spouse or child of a United States citizen pursuant to clause (i) of Section 204 (a) (1) (A) of the INA (8 U.S.C. § 1154 (a) (1) (A) (i)) or classification pursuant to clause (i) of Section 204 (a) (1) (B) of the INA (8 U.S.C. § 1154 (a) (1) (B) (i)), or
5. cancellation of removal pursuant to section 240A (b) (2) of the INA (8 U.S.C. § 1229b (b) (2)).

(D) For the period for which benefits are sought, the individual responsible for the battery or cruelty does not reside in the same household or family eligibility unit as the individual subjected to the battery or cruelty.

(9) An alien who meets all of the conditions of subparagraphs (A), (B), (C), (D) and (E) below:

(A) The alien has a child who has been battered or subjected to extreme cruelty in the United States by a spouse or a parent of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse's or parent's family residing in the same household as the alien, and the spouse or parent consented or acquiesced to such battery or cruelty. For purposes of this subsection, the term "battered or subjected to extreme cruelty" includes, but is not limited to being the victim of any act or threatened act of violence including any forceful detention, which results or threatens to result in physical or mental injury. Rape, molestation, incest (if the victim is a minor), or forced prostitution shall be considered as acts of violence.

(B) The alien did not actively participate in such battery or cruelty.

(C) There is a substantial connection between such battery or cruelty and the need for the benefits to be provided in the opinion of the



Office. For purposes of this subsection, the following circumstances demonstrate a substantial connection between the battery or cruelty and the need for the benefits to be provided:

1. The benefits are needed to enable the alien's child to become self-sufficient following separation from the abuser.
2. The benefits are needed to enable the alien's child to escape the abuser and/or the community in which the abuser lives, or to ensure the safety of the alien's child from the abuser.
3. The benefits are needed due to a loss of financial support resulting from the alien's child's separation from the abuser.
4. The benefits are needed because the battery or cruelty, separation from the abuser, or work absences or lower job performance resulting from the battery or extreme cruelty or from legal proceedings relating thereto (including resulting child support, child custody, and divorce actions) cause the alien's child to lose his or her job or to earn less or to require the alien's child to leave his or her job for safety reasons.
5. The benefits are needed because the alien's child requires medical attention or mental health counseling, or has become disabled, as a result of the battery or extreme cruelty.
6. The benefits are needed because the loss of a dwelling or source of income or fear of the abuser following separation from the abuser jeopardizes the alien's child's ability to care for his or her children (e.g., inability to house, feed, or clothe children or to put children into day care for fear of being found by the abuser).
7. The benefits are needed to alleviate nutritional risk or need resulting from the abuse or following separation from the abuser.
8. The benefits are needed to provide medical care during a pregnancy resulting from the abuser's sexual assault or abuse of, or relationship with, the alien's child and/or to care for any resulting children.
9. Where medical coverage and/or health care services are needed to replace medical coverage or health care services the alien's child had when living with the abuser.

(D) The alien meets the requirements of subsection (c) (8) (C) above.

(E) For the period for which benefits are sought, the individual responsible for the battery or cruelty does not reside in the same

household or family eligibility unit as the individual subjected to the battery or cruelty.

(10) An alien child who meets all the conditions of subparagraphs (A), (B), and (C) below:

(A) The alien child resides in the same household as a parent who has been battered or subjected to extreme cruelty in the United States by that parent's spouse or by a member of the spouse's family residing in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty. For purposes of this subsection, the term "battered or subjected to extreme cruelty" includes, but is not limited to being the victim of any act or threatened act of violence including any forceful detention, which results or threatens to result in physical or mental injury. Rape, molestation, incest (if the victim is a minor), or forced prostitution shall be considered acts of violence.

(B) There is a substantial connection between such battery or cruelty and the need for the benefits to be provided in the opinion of the Office. For purposes of this subsection, the following circumstances demonstrate a substantial connection between the battery or cruelty and the need for the benefits to be provided:

1. The benefits are needed to enable the alien child's parent to become self-sufficient following separation from the abuser.
2. The benefits are needed to enable the alien child's parent to escape the abuser and/or the community in which the abuser lives, or to ensure the safety of the alien child's parent from the abuser.
3. The benefits are needed due to a loss of financial support resulting from the alien child's parent's separation from the abuser.
4. The benefits are needed because the battery or cruelty, separation from the abuser, or work absences or lower job performance resulting from the battery or extreme cruelty or from legal proceedings relating thereto (including resulting child support, child custody, and divorce actions) cause the alien child's parent to lose his or her job or to earn less or to require the alien child's parent to leave his or her job for safety reasons.
5. The benefits are needed because the alien child's parent requires medical attention or mental health counseling, or has become disabled, as a result of the battery or extreme cruelty.

6. The benefits are needed because the loss of a dwelling or source of income or fear of the abuser following separation from the abuser jeopardizes the alien child's parent's ability to care for his or her children (e.g., inability to house, feed, or clothe children or to put children into a day care for fear of being found by the abuser).
7. The benefits are needed to alleviate nutritional risk or need resulting from the abuse or following separation from the abuser.
8. The benefits are needed to provide medical care during a pregnancy resulting from the abuser's sexual assault or abuse of, or relationship with, the alien child's parent and/or to care for any resulting children.
9. Where medical coverage and/or health care services are needed to replace medical coverage or health care services the alien child's parent had when living with the abuser.

(C) The alien child meets the requirements of subsection (c) (8) (C) above.

(d) For purposes of this section, "nonimmigrant" is defined the same as in Section 101 (a) (15) of the INA (8 U.S.C. § 1101 (a) (15)).

(e) For purposes of establishing eligibility for any license to act as a state licensed real estate appraiser, California Business and Professions Code, Division 4, Part 3, Sections 11300 et seq., all of the following must be met:

- (1) The applicant must declare himself or herself to be a citizen of the United States, a qualified alien under subsection (c), a nonimmigrant alien under subsection (d), or an alien paroled into the United States for less than one year under Section 212 (d) (5) of the INA (8 U.S.C. § 1182 (d) (5)). The applicant shall declare that status through use of the "Statement of Citizenship, Alienage, and Immigration Status for State Public Benefits, " Form REA 3030 (Rev. 08/13/98), which is herein incorporated by reference.
- (2) The applicant must present documents of a type acceptable to the Immigration and Naturalization Service (INS) which serve as reasonable evidence of the applicant's declared status. A fee receipt from the INS for replacement of a lost, stolen, or unreadable INS document is reasonable evidence of the alien's declared status.
- (3) The applicant must complete and sign Form REA 3030 (Rev. 08/13/98).
- (4) Where the documents presented do not on their face reasonably appear to be genuine or to relate to the individual presenting them, the government entity that originally issued the documents shall be contacted for

verification. With regard to naturalized citizens and derivative citizens presenting certificates of citizenship and aliens, the INS is the appropriate government entity to contact for verification. The Office shall request verification from the INS by filing INS Form G-845 with copies of the pertinent documents provided by the applicant with the local INS office. If the applicant has lost his or her original documents or presents expired documents or is unable to present any documentation evidencing his or her immigration status, the applicant shall be referred to the local INS office to obtain documentation.

(5) The type of documentation referred to the INS for verification pursuant to INS Form G-845 shall include the following:

(A) The document presented indicates immigration status but does not include an alien registration or alien admission number.

(B) The document is suspected to be counterfeit or to have been altered.

(C) The document includes an alien registration number in the A60 000 000 (not yet issued) or A80 000 000 (illegal border crossing) series.

(D) The document is one of the following: an INS Form I-181b notification letter issued in connection with an INS Form I-181 Memorandum of Creation of Record of Permanent Residence, an Arrival-Departure Record (INS Form I-94) or a foreign passport stamped "PROCESSED FOR I-551, TEMPORARY EVIDENCE OF LAWFUL PERMANENT RESIDENCE" that INS issued more than one year before the date of application for any license to act as a state licensed real estate appraiser.

(6) If the INS advises that the applicant has citizenship status or immigration status which makes him or her a qualified alien, a nonimmigrant or alien paroled for less than one year under section 212(d)(5) of the INA, the INS verification shall be accepted. If the INS advises that it cannot verify that the applicant has citizenship status or an immigration status that makes him or her a qualified alien, a nonimmigrant or an alien paroled for less than one year under section 212(d)(5) of the INA, benefits shall be denied and the applicant notified pursuant to the Office's regular procedures of his or her rights to appeal the denial of benefits.

(f) Pursuant to Section 434 of the PRWORA (8 U.S.C. § 1644), where the Office reasonably believes that an alien is unlawfully in the State based on the failure of the alien to provide reasonable evidence of the alien's declared status, after an

opportunity to do so, said alien shall be reported to the Immigration and Naturalization Service.

(g) Provided that the alien has completed and signed Form REA 3030 (Rev. 08/13/98) under penalty of perjury, eligibility for any license to act as a state licensed real estate appraiser shall not be delayed, denied, reduced or terminated while the status of the alien is verified.

(h) Pursuant to Section 432 (d) of the PRWORA (8 U.S.C. § 1642 (d)), a nonprofit charitable organization that provides federal, state or local public benefits shall not be required to determine, verify, or otherwise require proof of eligibility of any applicant or beneficiary with respect to his or her immigration status or alienage.

(i) Any applicant who is determined to be ineligible pursuant to subsection (b) and (e) or who was made eligible for any license to act as a state licensed real estate appraiser whose services are terminated, suspended, or reduced pursuant to subsections (b) and (e), is entitled to a hearing, pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the Administrative Procedure Act).

NOTE: Authority cited: Sections 11313, 11314, 11327, 11340, 11350, and 11352, Business and Professions Code. Reference: Section 11320 and 11321, Business and Professions Code; 8 U.S.C. §§ 1621, 1641, and 1642.

### **ARTICLE 3. EXPERIENCE AND EDUCATION REQUIREMENTS**

#### **3541. Minimum Experience Requirements**

(a) To meet the minimum experience requirements, applicants for certified general shall have a minimum of 3,000 hours of real property appraisal experience obtained continuously over a period of not less than 30 months in one or more of the categories listed in Section 3542. Of the 3,000 hours, certified general applicants must have a minimum 1,500 hours of non-residential appraisal experience in one or more of the categories listed in Section 3542.

(b) To meet the minimum experience requirements, applicants for certified residential shall have a minimum of 2,500 hours of real property appraisal experience obtained

continuously over a period of not less than 30 months in one or more of the categories listed in Section 3542.

(c) To meet the minimum experience requirements, applicants applying to be a state licensed real estate appraiser shall have 2,000 hours of real estate appraisal experience obtained over a period of not less than 12 months in one or more of the categories listed in Section 3542.

(d) To meet the minimum experience requirements, real estate brokers applying to be a residential licensed real estate appraiser shall have a valid California real estate brokers license and 1,000 hours of real estate appraisal experience in one or more of the categories listed in Section 3542.

(e) A maximum of 400 hours of experience in review of appraisals may be credited towards the minimum experience hours, no more than 50% of which may consist of desk reviews. Only those reviews performed after obtaining 1,600 hours of acceptable experience in other categories may be credited towards meeting minimum experience requirements.

(f) All experience claimed must be in conformance with USPAP and competed after January 30, 1989.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3542. Acceptable Categories of Experience and Criteria for Each Category**

(a) Acceptable categories of experience to meet the minimum requirements of Section 3541 and the criteria for each category are as follows:

(1) Fee and staff appraisal (a real property appraisal prepared by a person who is employed by another, usually a lending institution or government agency, or who is paid a fee for the appraisal assignments he or she performs):

- (A) Shall be a written document;
- (B) Shall have used the entire appraisal process;
- (C) Shall have used all appraisal methods (market, cost, income) customarily used for a particular property type (i.e., residential, commercial, industrial, etc.);
- (D) Shall conform to USPAP, particularly Standards Rules 1 and 2; and
- (E) Analysis must be completed by the applicant.

(2) Ad valorem tax appraisal (a real estate appraisal prepared by an appraiser which estimates a value that is used for property tax purposes):

(A) Appraisal:

- (1) Shall be a written document;
- (2) Shall use techniques to value properties similar to those used by appraisers;
- (3) Shall effectively use the appraisal process; and
- (4) Shall conform to USPAP, particularly Standards Rules 1 and 2.

(B) Mass Appraisal:

- (1) Shall use highest and best use analysis;
- (2) Shall use model specification (developing the model);
- (3) Shall use model calibration (developing adjustments to the model);
- (4) Components of the mass appraisal process other than (1), (2) and (3), by themselves, shall not be granted experience credit; and
- (5) Shall conform to USPAP, particularly Standard Rule 6.

(3) Review of an appraisal (field or desk):

- (A) Shall be a written document separate from the appraisal itself;
- (B) The review shall be of an appraisal prepared either by employees, associates or others;
- (C) The appraisal being reviewed shall not be signed by the reviewer;
- (D) Shall be a "technical review" where the review appraiser forms an opinion as to whether the analyses, opinions, and conclusions in the appraisal report under review are appropriate and reasonable, as opposed to an "administrative review", which is work performed by clients and users of appraisal services as a due diligence function in the context of making a business decision (e.g., underwriting, buying, selling, etc.); and
- (E) The work shall conform to USPAP, particularly Standard Rule 3.

(4) Appraisal analysis:

- (A) Shall be a written document; and
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(5) Real Estate consulting:

- (A) Shall be a written document;
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5; and
- (C) "Real estate consulting" incorporates those activities described in USPAP Standards Rules 4 and 5.

(6) Highest and best use analysis:

- (A) Shall be a written document; and
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(7) Feasibility analysis/study:

- (A) Shall be a written document; and
- (B) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(8) Teaching of appraisal courses:

Teaching of appraisal courses shall not be an acceptable category of experience to meet minimum requirements after December 31, 1997.

(9) Setting forth opinions of value of real property for tax purposes:

- (A) Shall be experience as an employee of a California County Assessor's Office or the California Board of Equalization in setting forth opinions of value of real property for tax purposes.

(10) Assisting in the preparation of appraisals:

- (A) Shall be a written document;
- (B) Shall effectively use the appraisal process performing market research, data analysis and applying the appropriate appraisal techniques. The work experience must go beyond such tasks as taking photographs, typing the appraisal report, measuring improvements, or finding sales that may or may not be used in the appraisal. At least 75% of the professional work shall have been performed by the applicant;
- (C) The work shall conform to all of the applicable USPAP standards, state laws and Office of Real Estate Appraisers (OREA) regulations; and



(D) A maximum of 400 hours of assisting in the preparation of appraisals may be accepted for credit towards meeting the minimum experience requirements.

(11) Real estate valuation experience such as that of a real estate lending officer or a real estate broker:

(A) Appraisal: Same requirements as Category 1;

(B) Review of Appraisals: Same requirements as Category 3; and

(C) Consulting:

(1) Shall be a written document; and

(2) The work shall conform to USPAP, particularly Standards Rules 4 and 5.

(b) Only appraisals performed for a business purpose (e.g. loans, litigation, etc.) may be credited for purposes of meeting the minimum experience requirements except that experience gained through case studies and practicum courses that are approved by the AQB Courses Approval Program may be credited for no more than 50 percent of the total experience requirement.

(c) Each applicant shall meet all additional requirements as may be established from time to time by the Appraiser Qualifications Board of The Appraisal Foundation.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3543. Minimum Basic and Continuing Education Requirements**

(a) Minimum basic and continuing education requirements shall be as follows:

- (1) All courses shall meet the minimum AQB requirements;
- (2) Basic Real Estate Appraisal and Advanced Real Estate Appraisal courses given by real estate schools which have been approved by the California Department of Real Estate as part of the requirement for a brokers license are exempt from the accreditation requirements in (3) through (5) below;
- (3) All classroom attended courses shall be taken through schools that are accredited by either:

- (A) the Office; or
- (B) any regional accrediting agency approved by the U.S. Department of Education;

(4) Correspondence, video or remote television courses are acceptable at the trainee and residential license levels if they have been accredited pursuant to (a)(3) above;

(5) Distance education courses are acceptable at the certified level if they were:

- (A) Taken at a school which has been accredited by any regional accrediting agency approved by the U.S. Department of Education, or,
- (B) Reviewed and approved by the Office and the International Distance Education Certification Center (IDECC) or approved through the AQB Course Approval Program.

(6) To receive consideration for education credit for courses not accredited by (3) through (5) above, the applicant may submit a Petition for Equivalency Credit, Form REA 3005 (Rev. 5/8/00), incorporated herein by reference, pursuant to Section 3567.

(b) In addition to (a) above, continuing education requirements shall be as follows:

- (1) Continuing education requirements shall be completed after the date on which the previous license was issued;
- (2) Appraisers applying for renewal of a license shall average at least 10 hours of accredited continuing education per year over the term of the license for the period up to and including December 31, 1997, and an average of at least 14 hours of accredited continuing education per year over the term of the license for the period occurring on or after

January 1, 1998; and

(3) Of the required hours, a minimum of 7 hours of USPAP consisting of the 7-hour National USPAP Update Course must be completed every 2 years. For licenses expiring after January 1, 2004, applicants for renewal must provide documentation of completion of the seven-hour National USPAP Update Course with each renewal application. Applicants may certify that they have read and understand all applicable California and federal laws and regulations pertaining to the licensing and certification of real estate appraisers in lieu of being required to take a minimum of four hours of federal and California appraisal-related statutory and regulatory law every four years.

(c) In addition to (a) above, basic education requirements shall be as follows:

(1) Correspondence, video, CD ROM, online, or remote television courses taken for basic education must consist of at least five lesson assignments of 3 hours each to be equivalent to a 15 hour class.

(d) The Office may accept a state real estate appraiser license in good standing issued by another state or territory of the United States as satisfactory evidence of fulfillment of the minimum educational requirements of this part, provided that the state of issuance complies with the minimum standards established by the AQB.

NOTE: Authority cited: Sections 11313, 11314, 11340 and 11361, Business and Professions Code. Reference: Public Law 101-73 (FIRREA) and Sections 11340 and 11360, Business and Professions Code.

#### **3544. Credit for Teaching Appraisal Courses**

(a) Instructors of appraisal courses may receive credit for up to one-half of either the basic education requirement or the continuing education requirement, but not both. Teaching of appraisal courses shall not be acceptable to meet minimum experience requirements after December 31, 1997.

(b) Instructors must submit written verification of their instructor experience, which shall include:

(1) Name of School;

(2) Name of Appraisal Course;

(3) Dates each course was taught;

(4) Number of hours each course was taught;

(5) Description of course content for each course taught;

(6) Certification by school official verifying the information; and

(7) Applicant's signed certification under penalty of perjury.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

## **ARTICLE 4. APPLICATION PROCESS**

### **3561. Application for Licensing**

- (a) Applications for licensing shall be valid for one year from date of receipt by the Office, during which time the applicant must qualify for admission to the examination. The one year period shall not be extended. If the applicant wishes to be considered for licensure after expiration of the one year period, he or she must reapply, including submission of all necessary documents and payment of all applicable fees in accordance with then existing requirements.
- (b) Applicants for licensing shall have an appropriate knowledge of the English language, including reading, writing and spelling, and of arithmetical computations common to real estate and appraisal practices.
- (c) Applicants for licensing must submit an Initial Application and applicable related forms REA 3001 (Rev. 5/8/00), 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004, (Rev. 5/8/00), which are incorporated herein by reference.

NOTE: Authority cited: Sections 11313, and 11340, Business and Professions Code. Reference: Sections 10153, 11340 and 11408, Business and Professions Code.

### **3562. Examination Preparation Courses**

Courses designed solely to prepare an applicant to pass the licensing examination may not be used to meet the basic or continuing education requirements.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3563. Evidence of Experience Qualifications**

- (a) Documentation of work experience shall be made available to the Office by the applicant upon request.
- (b) Documentation of work experience shall include but not be limited to one or all of the following:

- (1) Log of Appraisal Experience Form REA 3004 (Rev. 5/8/00), which is incorporated herein by reference,;

(2) Verification of ad valorem appraisal experience (Category 2) shall include certification from the appraiser's employer under penalty of perjury that the appraiser's experience was in real property appraisals.

(3) Substantiation of experience setting forth opinions of value of real property for tax purposes as an employee of a California county assessor's office or the California Board of Equalization (Category 9) shall include:

(A) Certification from the appraiser's supervisor, under penalty of perjury, that the appraiser's experience was in real property appraisals.

(B) A complete description of applicant's role in the preparation of appraisals, including, but not limited to, time period worked and types of properties.

(4) Samples of completed appraisals subject to the confidentiality provisions of USPAP. Applicants desiring return of any samples submitted to the Office shall include a written request at the time of submission, a true and correct copy of each sample submitted and a self-addressed envelope of sufficient size and with adequate postage for return of the original samples.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3564. Evidence of Basic and Continuing Education Qualifications**

Verification required for basic and continuing education qualifications shall include the following information:

- (1) Name of school;
- (2) Name of student;
- (3) Name of course;
- (4) Date course was taken; and
- (5) Course grade or other evidence of satisfactory completion.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3565. Course Description Documentation**

(a) Upon request by the Office, the applicant shall submit course description documentation.

(b) Course description documentation shall include but, not be limited to:

- (1) Course syllabus;
- (2) Course outline;
- (3) Copies of the table of contents or copies of the index pages of the textbook used during the course; and
- (4) Letters of verification from instructors, signed under penalty of perjury, verifying the following:

- (A) Name of school;
- (B) Name of student;
- (C) Name of course;
- (D) Date course was taken;
- (E) Course grade or other evidence of satisfactory completion;
- (F) Topic areas taught in the course; and
- (G) Signature and date of instructor or other appropriate school official.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3566. Challenge Courses**

Challenge courses are acceptable to meet basic education requirements only if they were completed prior to July 1, 1990.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Public Law 101-73 (FIRREA) and Section 11340, Business and Professions Code.

### **3567. Petition For Equivalency Credit**

- (a) An applicant may submit a petition for equivalency credit for those courses which have not been accredited pursuant to Article 9 of these regulations.
- (b) The petition for equivalency credit shall be submitted with all applicable fees pursuant to Section 3582 on Petition for Equivalency Credit, Form REA 3005 (Rev. 5/8/00), which is herein incorporated by reference.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3568. Provisional Licenses; Trainee Licenses and Supervising Appraiser Responsibilities.**

(a) To obtain a Trainee License, applicants must satisfy the following minimum requirements:

(1) Education:

(A) Completion of basic education which covers the minimum number of hours and specific topics required by AQB for a residential level license and meets the minimum requirements of Section 3543; and

(B) 15 hours of USPAP which consists of the 15-hour National USPAP Course or its equivalent.

(C) All education must be completed within the five-year period immediately preceding the date the application was received by the office.

(2) Successful passage of the National Uniform Appraiser License examination or its equivalent.

(b) To accrue acceptable experience, trainee licensees must:

(1) Acquire experience pursuant to Section 3542.

(2) Work under the direct technical supervision of a licensed appraiser in good standing.

(3) Maintain an appraisal log in conformance with the requirements of Section 3563.

(c) Trainees must maintain copies of appraisal reports which appear on the log.

(d) Trainees shall comply with the continuing education requirements of Section 3543.

(e) The supervising appraiser must:

(1) Personally inspect the property with the trainee until the trainee is competent to make unsupervised inspections in accordance with the Competency Provision of USPAP for the type of property being appraised;

(2) Review the trainee's appraisal report;

(3) Accept responsibility for the appraisal report by signing and certifying that the report is in compliance with USPAP;

(4) Review and initial each page of the trainee's Log of Appraisal Experience Form REA 3004 (Rev. 5/8/00) and verify under penalty of perjury that the work was completed under his/her supervision; and

(5) Maintain records of the trainee's appraisals in accordance with USPAP.  
(f) Supervising appraisers must be licensed at the certified level and be in good standing with the Office and may not supervise more than three appraisers at one time.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11341, Business and Professions Code.

### **3569. Reciprocity**

(a) The Director may enter into reciprocal agreements with other states that have not been found to be out of compliance with ASC if the other states' requirements conform, at a minimum, with AQB criteria for certifying or licensing real estate appraisers.

(b) Reciprocal agreements shall provide that the two states may issue licenses or certificates without additional examination to licensees or certificate holders of the other state. Upon completion of the application process and payment of the established appraiser license fee, applicants shall submit documentation of current license or certificate and a certified letter of license history or its equivalent from the other state.

(c) The Director may terminate a reciprocal agreement if he or she determines that the other state:

(1) Is not assisting the Director in enforcement activity for the protection of California consumers.

(2) Is not maintaining or enforcing standards, qualifications, and examinations as prescribed by the AQB.

(d) The Director shall not issue any reciprocal license to an applicant from another state after the termination of the reciprocal agreement with that state. All licenses issued under the reciprocal agreement shall be void upon termination of the agreement. Thereafter, applicants and licensees from that state may then apply for a license in the same manner as California resident applicants.

(e) Appraisers who are licensed in another state that has not been found to be out of compliance by ASC and whose licenses are in good standing who wish to apply for equivalent California licenses shall complete and submit the following:

(1) Application for Reciprocal License Form REA 3025 (Rev. 5/8/00) and applicable related forms REA 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004 (Rev. 5/8/00) as required in Section 3561, and form REA 3006 (Rev. 5/8/00);



- (2) A Certificate of License History or its equivalent, not more than 30 days old, which shall be forwarded directly to the Office from the state in which the applicant is currently licensed;
  - (3) Details of any complaint filed against him or her with another licensing agency that was not found to be unfounded or unsubstantiated and any action taken by that agency; and
  - (4) Such other information as may be requested by the Director pursuant to these regulations, ASC policies and/or a written reciprocity agreement with any other jurisdiction.
- (f) A license issued under this section shall be valid for the period of time that the applicant holds a valid, current license in his or her issuing state or the term of license provided in Section 3524 of these Regulations or until termination of the reciprocal agreement upon which the license was issued, whichever is earlier. Issuance fees for licenses to be issued with less than a full term pursuant to this section shall be prorated to the next highest semi-annual equivalent.
- (g) The holder of a license issued pursuant to this section shall immediately notify the Office of any change in status of the license issued by another state. Any license issued pursuant to this section shall be void and immediately surrendered to the Office if the license issued by another state is not active at any time, if the other state is found not to be in compliance by ASC or if the reciprocity agreement between the other state and California is terminated.
- (h) A reciprocal licensee shall comply with all statutes and rules governing licensed appraisers in California. Each reciprocal licensee shall immediately notify the Director of any disciplinary action taken in any other state in which the person holds a license or certificate.
- (i) Any discipline imposed by the resident state against the licensee shall also constitute a disciplinary action against the licensee's reciprocal California license unless the director determines that a lesser or greater penalty is appropriate pursuant to this chapter.

NOTE: Authority cited: Sections 11313, 11314, 11340 and 11350, Business and Professions Code. Reference: Sections 11341 and 11350, Business and Professions Code.

### **3570. Time Limits for Processing Applications**

(a) Within 90 days of receipt of the Initial Application, REA Forms 3001 (Rev. 5/8/00), 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004, (Rev. 5/8/00), Upgrade Application, REA Form 3023 (Rev. 5/8/00), Renewal Application, REA Form 3012 (Rev. 5/8/00) Request for Temporary Practice Permit, REA Form 3009 (Rev. 5/8/00), Course Provider Accreditation REA Form 3013 (Rev. 5/8/00), or Course Accreditation and Description REA Form 3014 (Rev. 5/8/00), the Office shall give written notice to the applicant that:

- (1) The application is complete; or
- (2) The application is deficient, describing what information is deficient and/or inadequate.

(A) An application is deficient if the applicant has not completed and provided the Office with all of the items required by Article 4 of these regulations, or any other information requested by the Office to complete the application.

(b) Within 90 days of receipt of a completed Request for Issuance, Form REA 3008 (Rev. 5/8/00), Application for Renewal, REA Form 3012, (Rev. 5/8/00) or Request for Temporary Practice Permit, REA Form 3009, (Rev. 5/8/00), Course Provider Accreditation REA Form 3013 (Rev. 5/8/00), or Course Accreditation and Description REA Form 3014 (Rev. 5/8/00), the Office shall issue or deny the requested license or accreditation provided that:

- (1) The applicant has provided all required information;
- (2) All required fees have been received by the Office; and
- (3) Results of applicable criminal records checks have been received from the Department of Justice and/or Federal Bureau of Investigation, and any background check has been completed.

(c) The Office's completed review of an application for the two years immediately preceding this regulation has been approximately:

- (1) a minimum of 90 days.
- (2) a median of 120 days.
- (3) a maximum of 150 days.

(d) A notice of deficiency pursuant to (a)(2) above shall include written notice of the following:

- (1) That the applicant shall have the right to request a hearing by the Director on the grounds that:

- (A) The Office did not send the applicant a deficiency notice or a completed application notice within the time provided in (a) above;  
or
- (B) The Office did not issue the license or submit to the applicant a deficiency notice within the time provided in (b) above.

(2) A request for hearing under this section shall be made to the Director, in writing, clearly specifying the violations alleged, within 30 days from the date the notice of deficiency is mailed from the Office.

(3) If the Director determines that the Office exceeded the time limits without good cause, as defined in Section 15376 of the Government Code or exempted in Section 15377 of the Government Code, the applicant shall be reimbursed in full of any and all filing fees paid by the applicant and actually received by the Office.

(e) The time necessary to complete an informal conference in accordance with Section 3729 of these regulations, and/or a hearing pursuant to Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code, shall be excluded in determining whether or not the Office has complied with the 90 day requirement of subsections (a) and (b) above.

(f) Every adjudicatory hearing to determine whether an application should be granted shall be conducted in accordance with Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

(g) In no event shall a failure to comply with the requirements of this Section constitute grounds in and of itself for the issuance of a license or approval of accreditation.

NOTE: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 15376 and 15378, Government Code.

### **3571. Due Diligence**

(a) An application shall be denied whenever an applicant does not exercise due diligence in the completion of an application or examination.

(b) Failure to exercise due diligence includes, but is not limited to, the following:

- (1) Failure to appear for an examination within one year of issuance of the initial admit letter;
- (2) Failure to complete an application within one year of submission to the office;
- (3) Failure to respond to a written request from the office for additional information within 60 days of the request.

NOTE: Authority cited: Sections 11313 and 11314, Business and Professions Code. Reference: Sections 15376 and 15378, Government Code.

## **ARTICLE 5. FEES**

### **3581. Fees**

(a) Fees paid to the Office shall be submitted in the form of a money order, certified check, cashiers' check, preprinted personal or company check, or governmental purchase order, which shall clearly indicate the name of the applicant or licensee to whom it applies. Notwithstanding any other section, the Office may delay performance of any service until the personal or company check clears and the funds are deposited in the Office's accounts.

(b) Cash is not acceptable for payment of any fee.

(c) Payment of any fee, fine or penalty submitted in the form of a preprinted personal or company check, which was subsequently dishonored by the issuing institution shall be submitted to the Office in the form of a money order, certified check, cashier's check, or government purchase order.

NOTE: Authority cited: Sections 11313, and 11400, Business and Professions Code. Reference: 11400 Business and Professions Code.

### **3582. Fee Schedule**

(a) Fees are scheduled pursuant to Sections 11400 through 11408, Business and Professions Code.

(b) In addition to (a) above, the following is a schedule of additional fees:

1) Application Review -(all classifications-new, renewal, upgrades)	\$150
2) Issuance Fees (new and renewals)	
Trainee Level	\$300
Residential Level	\$300
Certified Levels	\$ 375
3) Issuance Fees (upgrades)	
To Certified Levels	\$ 75

4) Late Renewal Fee (all license levels)	
0 - less than 12 months	\$125
12 - 24 months	\$250
5) Background Investigation Fees	\$70
6) Child Support Review Fee	\$10
Reinstatement After Child Support Suspension	\$140
7) Federal Registry Fees (every two years)	
Federal (\$25 per year)	\$50
State Processing	\$25
8) Temporary Practice Permit	\$80
9) Petition for Equivalency (per course)	\$45
10) Basic Education Provider Fees	
Course Provider Application Review Fee	\$150 per submission
Course Review Fee	\$350 per course
Multiple Courses Review Fee (Submitted at same time)	
1 to 5 courses	\$350 per course
6 or more courses	\$250 per course for each course over 5 courses
11) Continuing Education Provider Fees	
Course Provider Application Review Fee	\$150
Course Review Fee	
Up to 14 hours	\$50
15 to 29 hours	\$100
Each additional 14 hour segment or portion thereof	\$50
12) Miscellaneous Fees	
Certificate of Good Standing	\$15
Certification of Documents	\$5
Change of Name (Business or Personal)	\$10
Duplicate License	\$50 with certification of loss
Duplicate Admit Letter	\$10 with certification of loss
Dishonored Check Fee	\$25 plus

Federal and State Laws & Regulations  
Course Materials Package

collection  
costs

\$50 plus tax  
and postage

Laws & Regulations Package	\$15 plus tax and postage
Letter of License History	\$40
Photocopy Costs	\$.10 each page Plus postage
Retrieve File/Records from Archives	\$25
State Registry (available on disk only) Full List	\$55 plus tax and postage
Special Request (up to 5,000 records)	\$90 plus tax and postage

(c) Notwithstanding any other provision, a license shall be automatically suspended if payment of any fees is dishonored by the issuing institution for any reason. The license shall remain suspended and shall not be renewed until receipt of all accumulated fees and penalties. Such a suspension shall be in addition to and not in place of any penalties imposed pursuant to this chapter and shall not relieve the licensee of his or her continuing education requirements.

(d) The fee to take an examination or reexamination for a license shall be set at an amount not to exceed the cost to the office as determined by competitive bid. The director may provide that the applicant pay the fee directly to the examination provider.

### 3583. Temporary Reduction in Issuance Fees

The following section shall be in effect with the operable date of these regulations and shall be operable through June 30, 2010, and shall thereupon expire:

Issuance fees specified in section 3582(b)(2) notwithstanding, the issuance fees for new and renewal licenses shall be

(a) Trainee Level \$150

(b) Residential Level \$150

(c) Certified Levels \$200

NOTE: Authority cited: Sections 11350, 11400, 11401, 11402, 11403, 11404, 11405, 11406, 11407 and 11422, Business and Professions Code; Section 11350.6, Welfare and Institutions Code. Reference: Sections 11350, 11401, 11402, 11403, 11404, and 11406, and 11407 Business and Professions Code.

## **ARTICLE 6. CHANGE/CONVERSION PROCEDURES**

### **3601. Change in the Status of an Application for License**

Applicants may change the status of their application during the application review process pursuant to the following:

(a) If an applicant wishes to change the status of his or her application to a higher classification and no examination admit letter has been mailed, the applicant must submit the following information to the Office:

- (1) Written request to change the application stating the new classification requested;
- (2) Additional education and/or experience documentation necessary to qualify at the higher classification; and
- (3) All applicable fees pursuant to Section 3582.

(b) If an applicant has received his or her examination admit letter or has passed the examination but has not been issued a License and wishes to change the status of the application to a higher classification, the applicant must submit the following to the Office:

- (1) Written request to change the application stating the new classification requested;
- (2) Original examination admit letter as issued by the Office or the original examination results issued by the test center, plus the difference in or new examination fee, as appropriate;
- (3) All applicable fees pursuant to Section 3582; and
- (4) Additional education and/or experience documentation as necessary to qualify at the higher classification.

(c) If an applicant wishes to change his or her application to a lower classification and the examination has been taken, the applicant must submit the following to the Office:

- (1) Written request to change the application stating the new classification requested; and
- (2) All applicable fees pursuant to Section 3582.

(d) If an applicant wishes to change his or her application to a lower classification and the examination has not been taken, the applicant must submit the following to the Office:

- (1) Written request to change the application stating the new classification requested.



NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3602. Change in the Status of License**

(a) If a licensed appraiser wishes to change the status of his/her license to a higher classification, the appraiser must submit the following information to the Office:

- (1) Completed Upgrade Application Forms REA 3023 (Rev. 5/8/00) and 3001 (Rev. 5/8/00), 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004, (Rev. 5/8/00), as applicable (excluding the fingerprint card), pursuant to Section 3561;
- (2) All applicable fees; and
- (3) Education and/or experience documentation as necessary to qualify at the certified residential or certified general level.

NOTE: Authority cited: Sections 11313, 11314 and 11340 Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3603. Converting a Trainee License to a Full License or Higher Classification**

Trainee licensed appraisers wishing to convert to a residential license or higher classification must submit the following to the Office:

- (1) Upgrade Application REA Forms 3023 (Rev. 5/8/00) and 3001 (Rev. 5/8/00), 3002 (Rev. 5/8/00), 3003 (Rev. 5/8/00) and 3004, (Rev. 5/8/00).
- (2) All applicable fees as required;
- (3) If the Trainee License was obtained based on education, documentation shall be submitted to verify completion of the required hours of experience in accordance with Section 3563.
- (4) Notwithstanding subsections (1) and (3), the applicant shall submit such documentation as the Office deems necessary to determine whether or not the holder of the trainee license meets the minimum requirements for the license level to which he or she wishes to convert.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

## **ARTICLE 7. EXAMINATIONS**

### **3621. Examinations**

- (a) Examination results shall be valid for one year from the date issued.
- (b) The licensing examinations shall be held in locations and at times as designated by the Office.
- (c) As a condition for entry to the examination, each applicant shall be required to present one of the following forms of identification each of which must bear a photograph, signature and birth date of the applicant:

- (1) A currently valid drivers license or identification card issued by a state Department of Motor Vehicles or equivalent agency;
- (2) A currently valid military identification card; or
- (3) A currently valid identification document issued by the United States Immigration and Naturalization Services.

- (d) Also as a condition for entry to the examination, each applicant shall be required to present the original examination admit letter as issued by the Office.

NOTE: Authority cited: Sections 11313, 11314, 11340 and 11408, Business and Professions Code. Reference: Sections 123 and 11340, Business and Professions Code.

### **3622. Re-Examination**

- (a) Applicants who fail an examination may apply for re-examination by submitting the following:

- (1) Request for Re-Examination, Form REA 3007 (Rev. 5/8/00), which is herein incorporated by reference; and
- (2) All applicable fees pursuant to Section 3582.

- (b) Applicants shall not be permitted to take any subsequent examination without a scheduled time and payment of applicable fees.

- (c) Applicants shall not be allowed more than 5 attempts to pass the examination in any 12-month period.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

## **ARTICLE 8. ISSUANCE PROCEDURES**

### **3641. Issuance of License**

Applicants requesting the issuance of a license shall submit an Application for Issuance of License, Form REA 3008 (Rev. 5/8/00), which is herein incorporated by reference, examination results and all applicable fees within one year of successful completion of the examination.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Sections 11340, and 11408, Business and Professions Code.

## **ARTICLE 9. BASIC AND CONTINUING EDUCATION ACCREDITATION**

### **3661. General Requirements for Basic and Continuing Education Accreditation**

(a) Basic and continuing education accreditation requirements shall be as follows:

(1) Each course sponsor shall provide a copy of each of the following to each student upon enrollment:

- (A) Course outline;
- (B) Enrollment fee refund policy; and
- (C) Grading policy.

(2) Each completion certificate shall be completed under penalty of perjury and include the following:

- (A) Office course approval number;
- (B) Name and address of student;
- (C) Course title;
- (D) Statement that course was either correspondence or classroom attended;
- (E) Date of course completion and date of successful completion of basic education final examination;
- (F) For continuing education courses, a statement that the student was in attendance at least 90% of class time;
- (G) Identity and signature of verifier of course completion; and
- (H) The course sponsor may include such additional information in this document as it deems necessary.

(3) Participants shall be physically present during at least 90% of the offering time exclusive of the time allocated to the administering of a basic education final examination; and

(4) Each instructor shall have at least one of the following:

(A) A bachelor's degree or higher degree in a field related to real estate appraising from a school listed as an institution of higher learning by the U.S. Office of Education, or from a comparable school of a foreign country;

(B) A valid teaching credential or certificate authorizing the holder to teach in the field of knowledge covered in the offering;

(C) Five years full-time experience in the field being taught; or

(D) A combination of full-time experience and full time college-level education totaling at least five years.

(b) In addition to (a) above, requirements for basic education accreditation shall be as follows:

(1) Each course shall have a final exam per AQB established appraiser qualification criteria; and

(2) Examination questions to be included in the final examination shall not be reviewed with students before, during or after the course.

(3) Each course shall meet the minimum course length requirements established by AQB.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3662. Accreditation Application**

(a) Course providers desiring to be accredited and/or to have a course accredited shall submit Course Provider Accreditation, REA Form 3013 (Rev. 5/8/00), Course Accreditation and Description, REA Form 3014 (Rev. 5/8/00) and OREA Topic Matrix, REA Form 3015 (Rev. 5/8/00), which are herein incorporated by reference, as applicable.

(b) The application shall be signed by the course provider's Chief Executive Officer.

(c) The Chief Executive Officer of the course provider may delegate authority to sign the Course Provider Accreditation, REA Form 3013 (Rev. 5/8/00), Course Accreditation and Description, REA Form 3014 (Rev. 5/8/00) and OREA Topic

Matrix, REA Form 3015 (Rev. 5/8/00), by filing with OREA a written delegation of authority to act on behalf of the course provider for accreditation matters.

(d) Only one such delegation of authority shall be valid at any point in time for the education activities of the course provider within a particular state.

(e) The delegation of authority shall be valid for a maximum of four years. and may be revoked by the Chief Executive Officer by filing a written revocation of the delegation of authority with OREA. A new delegation of authority, in writing, must be submitted to, and received by, OREA within 30 days of a change in the course provider's Chief Executive Officer.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3663. Additional Approval**

Proposed course offerings may also require the approval of the Council of Private Post Secondary and Vocational Education pursuant to the Private Post Secondary and Vocational Education Reform Act of 1989 (Education Code Sections 94300, et seq.) If such approval is required by the Council of Private Post Secondary and Vocational Education, the course provider shall forward a copy of said approval to the Office as part of their Application.

(b) It is the responsibility of the course provider to ensure that any such responsibilities under that Act are satisfied, and that OREA is provided satisfactory notification.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3664. Material Change in Education Course Offering, School Management or School Operating Policies**

(a) Any proposed material change to an accredited education offering, school management or school operating policies shall be submitted by the provider to the Office for consideration and approval prior to use, together with a new accreditation application and fee.

(b) "Material change" means a significant deviation in one or more aspects from the course offering, school ownership, management or operating policies as approved by the Office, including but not limited to a change in curriculum, course length, form or substance of the final examination, workbooks, texts or syllabi, but not including changes designed exclusively to reflect recent changes in statutes, regulations or decisional law;

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3665. Record Keeping**

(a) The course provider shall maintain a student record for each participant for a period of at least five years from completion of the course. The record shall include, at a minimum, the following information:

- (1) The Office's accreditation number for the offering;
- (2) Name and address of each participant;
- (3) Course title and hours of credit approved;
- (4) Date(s) of course and date course is completed;
- (5) Name and address of course provider;
- (6) Identity of verifier of attendance; and
- (7) Course grade or other evidence of satisfactory completion.

(b) The course provider shall maintain business records for a period of at least five years. The records shall include, at a minimum, the following information:

- (1) Business and mailing address of course provider as on file with the Office;
- (2) Written records of attendance and grades for each student; and
- (3) The principal place of business or the mailing address at which each of the accredited basic education and continuing education instructors can be contacted.

(c) Upon receipt of a request from the Director, the records specified in this section shall be submitted to the Office within 30 days.

(d) Whenever there is a change in the business or mailing address of the course provider, the course provider shall notify the Director in writing within 10 days of the change.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

### **3666. Advertising**

Any advertising by or on behalf of a course provider for real estate or real estate appraisal related educational services shall:

- (a) Clearly identify the provider as being an OREA approved real estate appraisal educational course provider and the provider's OREA approval number;
- (b) Clearly identify those courses which have been accredited by OREA and their OREA approval number, or, in the alternative, include:

- (1) A clear statement that not all courses offered by the course provider are necessarily OREA approved; and
  - (2) A clearly legible telephone number and address for the course provider which may be utilized by those interested in determining if a specific course offered by the provider has been approved by OREA, and its approval number.
- (c) Clearly contain the date of initial publication or distribution;
  - (d) Not state or imply any endorsement of the course provider or any courses by OREA or the State of California other than the fact of accreditation as indicated in (a) and (b) of this section;
  - (e) Not include any false, misleading or deceptive information;
  - (f) Not contain any asterisk or other reference symbol to contradict or to change the ordinary meaning of the material in the body of the advertisement; and
  - (g) Not contain any offers or inducements precluded by law.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, and 11406 Business and Professions Code.

### **3667. Subcontractors, Agents and Franchisees**

- (a) Course providers shall be responsible for the actions of their subcontractors, agents and franchisees for activities subject to this article and shall ensure that said persons and entities comply with this article's provisions.
- (b) Contracts entered into by or on behalf of course providers for services subject to this article shall contain a requirement that the service provider comply with the provisions of this Article.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, and 11406 Business and Professions Code.

### **3668. Denial or Withdrawal of Education Accreditation**

- (a) A course shall not be accredited if the Director determines that the course or course provider fails to satisfy the requirements of Article 9 of these regulations.
- (b) Accreditation shall be withdrawn if the Director determines that the course or course provider fails to satisfy or has violated the requirements of Article 9 of these regulations.
- (c) The process for denial or withdrawal shall be as follows:

- (1) The determination by the Director shall be submitted to the course provider in writing setting forth the reasons for the determination;
- (2) Within 30 days of receipt of the Director's written determination, the course provider may submit a written request for a hearing;
- (3) The Director shall hold a hearing within 90 days of receipt of the written request for a hearing unless another hearing date is agreed upon by both parties;
- (4) The Director shall issue a written decision within 30 days of completion of the hearing; and
- (5) If a hearing is not held pursuant to (3) above or a decision is not issued pursuant to (4) above, accreditation will be deemed to have been given by the Director.

- (d) Accreditation shall automatically expire after four years or any time the course has not been offered by the course provider in two consecutive years.
- (e) In any hearing, the burden of proving that the course complies with the requirements of Article 9 of these regulations is on the party seeking accreditation.
- (f) No applicant shall be given credit for any course work commenced after the effective date of withdrawal of accreditation.

NOTE: Authority cited: Sections 11313, 11314 and 11340, Business and Professions Code. Reference: Section 11340, Business and Professions Code.

### **3669. Course Credit After Revocation**

If an offering was accredited at the time of registration by an appraiser, credit for the offering shall be given to the appraiser at the time of initial licensure or upon renewal notwithstanding the fact that approval may have been revoked at the time that the applicant successfully completed the offering except in the event of collusion.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Section 11360, Business and Professions Code.

## **ARTICLE 10. RENEWAL PROCEDURES**

### **3681. Renewal Application**

- (a) A license may be renewed by submitting the following to the Office:

- (1) Appropriate fees including state and federal registry fees pursuant to Section 3582;



(2) Every other renewal period, proof of completion of approved continuing education by one of the following:

- (A) Official transcript;
- (B) Report card; or
- (C) Completion certificates.

(3) Every renewal period, proof of completion of the 7-hour National USPAP Update Course;

(4) REA Form 3012 (Rev. 5/8/00) Renewal Application which is herein incorporated by reference.

(b) The renewed license shall be valid for a maximum of two years from the date of expiration of the prior license, provided the Renewal Application is received by the Office before midnight of the last day of the period for which the previous license was issued, accompanied by the applicable renewal fees and evidence of good faith compliance with the provisions of this Article.

(c) Complete applications for renewal of licenses should be submitted to the Office at least 90 days prior to the license expiration date. However, applications for renewal shall not be accepted by the Office more than 180 days prior to the expiration of the existing license.

NOTE: Authority cited: Sections 11313, 11314, 11340, 11341, 11360 and 11361, Business and Professions Code. Reference: Sections 11340, 11341, 11360 and 11361, Business and Professions Code.

### **3682. Late Renewals**

(a) If an appraiser fails to renew his or her license prior to its expiration, the appraiser may renew the license within two years after expiration of the previously held license by satisfying all of the requirements for renewal of the license and by the payment of all applicable fees.

(b) Appraisals in federally related transactions may not be performed during the two-year grace period immediately following the date the appraiser's license expires, unless and until a renewed license is issued.

(c) An appraiser applying for late renewal shall, prior to the submission of his or her application for late renewal, complete at least 10 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring up to and including December 31, 1997, and at least 14 hours (prorated semiannually) of continuing education for each year since the expiration of the license for the period occurring on or after January 1, 1998, in addition to meeting the requirements of Section 3543

(d) Any person whose license expires and does not renew within two years of the date of expiration, must submit the following:

- (1) A new application;
- (2) Proof of compliance with the requirements for new applicants in existence at the time of the new application; and
- (3) All applicable fees.

NOTE: Authority cited: Sections 11313, 11314 and 11361, Business and Professions Code. Reference: Sections 11341 and 11360, Business and Professions Code.

## **ARTICLE 11. RULES OF PROFESSIONAL CONDUCT**

### **3701. Standards of Professional Appraisal Practice**

Every holder of a license under this part shall conform to and observe the Uniform Standards of Professional Appraisal Practice (USPAP) and any subsequent amendments thereto as promulgated by the Appraisal Standards Board of The Appraisal Foundation, which standards are herein incorporated into these regulations by reference as if fully set forth herein.

NOTE: Authority: Sections 11313 and 11314, Business and Professions Code  
Reference: Chapter 491 Statutes of 1991, Section 4; Business & Professions Code 11340(c), Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment).

### **3702. Special Qualifications of Appraisers**

(a) The Director finds and declares as follows:

- (1) That the profession of real estate appraisal is vested with a fiduciary relationship of trust and confidence as to clients, lending institutions, and both public and private guarantors or insurers of funds in federally-related real estate transactions and that the qualifications of honesty, candor, integrity and trustworthiness are directly and substantially related to and indispensable to the practice of the appraisal profession; and
- (2) Every holder of a license to practice real estate appraisal shall be required to demonstrate by his or her conduct that he or she possesses the qualifications of honesty, candor, integrity and trustworthiness.

(b) The Director may require such proof as he may deem advisable concerning the special qualifications of an applicant for or holder of an appraiser's license.

NOTE: Authority: Sections 11313 and 11314, Business and Professions Code  
Reference: Chapter 491 Statutes of 1991, Section 4; Business & Professions Code 11340(c), Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment).

### **3703. Complaints of Unlawful or Unprofessional Conduct**

Any person may file a complaint alleging that any applicant for or holder of a license has committed acts or omissions constituting unethical or unprofessional conduct by following the procedure set forth in Section 3726 (Initiation of Disciplinary Proceedings). Such complaint may, but need not, specify the provisions of law, regulations or USPAP alleged to have been violated.

NOTE: Authority: Sections 11313 and 11314, Business and Professions Code.  
Reference: Sections 11313 and 11314, Business and Professions Code.

### **3704. Employees of OREA**

An employee of the Office shall not perform appraisals except in the performance of his or her official duties.

NOTE: Authority cited: Sections 11313, and 11314, Business and Professions Code. Reference: Sections 11340 Business and Professions Code.

### **3705. Responsibility for Appraisal Reports, Signatures**

(a) Every appraisal report subject to the Uniform Standards of Professional Appraisal Practice upon final completion shall bear the signature and license number of the appraiser and of the supervising appraiser, if appropriate. The affixing of such signature and number constitute the acceptance by the appraiser and supervising appraiser of full and personal responsibility for the accuracy, content, and integrity of the appraisal under Standards Rules 1 and 2 of USPAP.

(b) Every review appraisal report upon final completion shall bear the signature and license number of the reviewer. The affixing of such signature and number shall constitute acceptance by the reviewer of responsibility for the review under Standard Rule 3 of USPAP.

(c) The license number of the appraiser, and of the review appraiser if the report is a review, shall appear with each signature throughout the appraisal or review document.

NOTE: Authority: Sections 11313 and 11314, Business and Professions Code.  
Reference: Chapter 491 Statutes of 1991, Section 4; Business professions Code 11340(c), Section 1103 of Public Law 101-73 (12 USC 3301, etc.) Title XI (Real Estate Reform Amendment); USPAP Ethics Provision, Record Keeping.

## **ARTICLE 12. DISCIPLINE**

### **3721. Revocation, Suspension, Denial of Licenses**

(a) The Director may issue a citation, order of abatement, assess a fine or private or public reproof, suspend or revoke any license, and/or may deny the issuance or renewal of a license of any person who has:

- (1) Been convicted of a felony or any crime which is substantially related to the qualifications, functions, or duties of the profession of real estate appraisal;
- (2) Done any act involving dishonesty, fraud or deceit with the intent to benefit himself or another, or to injure another;
- (3) Been convicted for a commission or solicitation of a criminal act which involved or threatened bodily harm to others;
- (4) Done any act which if done by the holder of a license to practice real estate appraisal would be grounds for revocation or suspension of such license;
- (5) Knowingly made a false statement of material fact required to be disclosed in an application for a license authorizing the practice of real estate appraisal;
- (6) Violated any provision of USPAP;
- (7) Violated any provision of the Real Estate Appraisers' Licensing and Certification Law, Part 3 (commencing with Section 11300) of Division 4 of the Business and Professions Code, or regulations promulgated pursuant thereto; or any provision of the Business and Professions Code applicable to applicants for or holders of licenses authorizing appraisals;
- (8) Been prohibited from participating in the affairs of an insured depository institution pursuant to Section 19(a) of the Federal Deposit Insurance Act (12 USC, Section 1829.); or
- (9) Submitted a financial instrument to OREA for the payment of any fee, fine or penalty which instrument is subsequently dishonored by the issuing institution due to an act or omission of that person.

(b) Before issuing any private or public reproof or denying, suspending or revoking any license issued or issuable under the provisions of the Real Estate Appraisers Licensing and Certification Law or these regulations, the Office shall

proceed as prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the Administrative Procedure Act) and the Office shall have all the powers granted therein.

(c) Any person issued a citation containing a fine or order of abatement may contest the citation by filing a written notice with the Office within 30 calendar days that states with specificity the basis of the appeal. Upon receipt of such notice, the Office shall proceed as prescribed by Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code (the Administrative Procedure Act) and the Office shall have all the powers granted therein.

NOTE: Authority cited: Sections 11313, 11314 and 11315, Business and Professions Code. Reference: Sections 480, 490, 11320 and 11321, Business and Professions Code; Administrative Procedure Act, Chapter 5 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of the Government Code.

### **3722. Criteria of Substantial Relationship**

(a) A crime or act shall be deemed to be substantially related to the qualifications, functions or duties of an appraiser if the act or crime was willful or intentional or involved the use of fraud, deceit or dishonesty for profit or gain in any of the following situations:

- (1) Taking, appropriating or retaining the funds or property of another;
- (2) Forging, counterfeiting or altering any instrument affecting the rights or obligations of another;
- (3) Evasion of a lawful debt or obligation, including but not limited to tax obligations;
- (4) Traffic in any narcotic or controlled substance in violation of law;
- (5) Driving under the influence of alcohol or drugs, while conducting business related to real estate appraisals; conviction of felony driving under the influence of alcohol or drugs; or conviction of two or more misdemeanor driving under the influence of alcohol or drugs within any three year period.
- (6) Violation of a relation of trust or confidence;
- (7) Theft of personal property or funds;
- (8) Crimes of violence or threatened violence against persons or property;
- or
- (9) Lying on the appraisal license application and/or cheating on the examination.

(b) An act or crime shall be deemed to be substantially related to the functions, duties or qualifications of an appraiser if it involves any willful violation of the

Real Estate Appraisers' Licensing and Certification Act or provisions of the Business and Professions Code applicable to appraisers.

(c) The weight to be accorded to a substantially related crime or act under (a) or (b) shall be determined by application of the following standards:

- (1) The extent to which the particular acts or omissions have adversely affected other persons, including but not limited to lenders, clients, employers or other persons; and the probability that such adverse effects will continue;
- (2) The recency or remoteness in time of the acts or omissions;
- (3) The type of license applied for or held by the person involved;
- (4) The extenuating or aggravating circumstances surrounding the acts or omissions;
- (5) The motivation of the acts or omissions, whether praiseworthy or blameworthy;
- (6) The probability that the questioned acts or omissions will continue or be repeated; and
- (7) The extent to which disciplinary action may inflict an adverse impact or chilling effect upon the constitutional rights of the person involved or other licensed persons.

NOTE: Authority cited: Section 11313, 11314, Business and Professions Code.  
Reference: Sections 481 and 482, Business and Professions Code.

### **3723. Criteria of Rehabilitation**

(a) Upon a determination pursuant to Section 3722 that a substantial relationship exists between particular acts or omissions and the qualifications, functions or duties authorized or to be authorized by a license applied for or held, the Director shall consider all competent evidence provided by the applicant or licensed appraiser or known to the Director, consisting of testimony or other facts showing:

- (1) The effect of the passage of time since the most recent conviction or offense;
- (2) Restitution to any person who has suffered monetary losses through "substantially related" acts or omissions of the Applicant;
- (3) Judicial relief from the consequences of criminal convictions resulting from immoral or antisocial acts including but not limited to Release from Probation (PC 1203.4), Certificate of Rehabilitation (PC 4852.01), finding of factual innocence (PC 851.8, 851.85), Diversion (completed), or other comparable orders of a court, including federal courts;
- (4) Successful completion or early discharge from probation or parole;

- (5) Abstinence from the use of controlled substances or alcohol for not less than two years if the crime or offense is attributable in part to the use of controlled substances or alcohol;
- (6) Payment of any fine or other monetary penalty imposed in connection with a criminal conviction or quasi-criminal judgment;
- (7) Stability of family life and fulfillment of parental and familial responsibilities subsequent to the conviction or offense;
- (8) Completion of, or sustained enrollment in, formal education or vocational training courses for economic self-improvement;
- (9) Discharge of, or bona fide efforts toward discharging, adjudicated debts or monetary obligations to others;
- (10) Correction of business practices resulting in injury to others or with the potential to cause such injury;
- (11) Significant or conscientious involvement in community, church or privately-sponsored programs designed to provide social benefits or to ameliorate social problems;
- (12) New and different social and business relationships from those which existed at the time of the crime or offense; or
- (13) Change in attitude from that which existed at the time of the crime or offense as evidenced by any or all of the following:

- (A) Testimony of applicant or licensed appraiser;
- (B) Evidence from family members, friends or other persons familiar with applicant's previous conduct and with his or her subsequent attitudes and behavioral patterns;
- (C) Evidence from probation or parole officers or law enforcement officials competent to testify as to applicant's social adjustments; or
- (D) Evidence from psychiatrists or other persons competent to testify with regard to psychiatric or emotional disturbances.

(b) The enumeration of criteria in (a) does not preclude the consideration of other competent evidence of rehabilitation.

NOTE: Authority cited: Sections 482, 11313 and 11314, Business and Professions Code. Reference: Sections 482 and 11340, Business and Professions Code.

### **3724. Citations for Unprofessional Conduct**

(a) Where the Director has verified a notice of acts or omissions by a licensed appraiser which constitute a violation of statute, regulation or USPAP, he/she may issue a citation in writing which describes with particularity the nature of the violation and including specific reference to the law, regulation or professional practice standard, determined to have been violated. The citation may include a

notice of abatement fixing a reasonable period of time for abatement of the violation, assessment of private or public reproof, suspension, revocation, restriction of license, fine or any combination of these actions.

(b) Fines shall not exceed \$10,000 per incident. In assessing a fine, the Director shall give due consideration to:

- (1) The gravity of the violation;
- (2) The good or bad faith of the person cited;
- (3) The history of previous violations;
- (4) Evidence that the violation was willful;
- (5) The extent to which the cited person has cooperated with the Office;
- (6) The extent to which the cited person has mitigated or attempted to mitigate any loss or potential loss caused by the violation; and
- (7) Such other matters as the Director determines are in the interest of justice.

(c) Citations issued hereunder shall be subject to review as provided in subsection (b) of Section 3721.

NOTE: Authority cited: Sections 11313, 11314 and 11315, Business and Professions Code. Reference: Section 11314, Business and Professions Code.

### **3725. Unlicensed Activity**

Where the Director determines that a person is acting in the capacity of a licensee under the jurisdiction of the Office in violation of Section 11320 of the Business and Professions Code, and said person commits acts or omissions which constitute a violation of statute or these regulations, the Director may issue a citation to that person in accordance with Section 3724. Any sanction authorized under this section shall be separate from and in addition to any other civil or criminal remedies.

NOTE: Authority cited: Sections 11313, 11314, 11315 and 11320 Business and Professions Code. Reference: Section 11314, Business and Professions Code.

### **3726. Initiation of Disciplinary Proceedings**

(a) Any person may request the Director to initiate disciplinary action against an applicant or a licensed appraiser as follows:

- (1) The request shall be in writing, shall identify the applicant or licensed appraiser to be charged and shall set forth in ordinary and concise language the particular acts or omissions with which the applicant or



licensed appraiser is charged in such detail as is reasonably necessary to enable the Director to understand the nature of the charges and their significance. Such request may, but need not, specify the statutes or regulations alleged to have been violated;

(2) Where the acts or omissions alleged are not within the personal knowledge of the person filing the request, such request shall be accompanied by verified statements of facts from one or more persons who do have personal knowledge of the acts or omissions alleged;

(3) Each such request shall be dated and signed and shall include the following verification: "I certify under penalty of perjury of the laws of the State of California that the facts stated herein are true and correct", and shall show the county or place where subscribed.

(b) The complainant shall be notified that a confidential investigation has been commenced within ten working days of receipt of the verified complaint; and shall be notified of final action taken on the complaint.

(c) If the complaint is not within the jurisdiction of the Director, or if the Director is unable to make a satisfactory disposition of the complaint, the Director, if appropriate, shall transmit the complaint, together with any appropriate evidence or information he or she has concerning the complaint to the agency, public or private, whose authority in the opinion of the Director will provide the most effective means to secure the relief sought. The Director shall notify the complainant of such action and of any other appropriate means which may be available to the complainant to secure relief.

(d) An investigation may be initiated by the Director upon information and belief.

NOTE: Authority cited: Section 11314, Business and Professions Code; Section 11180, Government Code. Reference: Sections 480, 490 and 11320 Business and Professions Code.

### **3728. Confidential Report of Investigation**

(a) Each complaint shall result in a confidential investigative report showing a summary of the acts and/or omissions alleged, and a summary of the supporting evidence together with a recommendation for appropriate enforcement action, if any.

(b) Where the confidential investigation report shows that the allegations are supported by credible evidence that a violation of law or regulation has occurred and that the applicant or licensed appraiser has committed the violation, and that the violation is substantially related to the qualifications, duties, or functions of an appraiser, the Office shall issue a citation and/or order of abatement, or shall

file an accusation or statement of issues against the applicant or licensed appraiser.

(c) Where the confidential investigative report shows that the allegations, even if true, do not constitute a violation of the law or regulations, that the allegations are not supported by sufficient credible evidence, or that the facts show a complete defense or legal justification, the investigation shall be closed.

(d) Notwithstanding any other provision of this chapter, the Director may release information concerning confidential investigations and complaints to a law enforcement agency or to another regulatory agency to which the appraiser has applied for licensure.

NOTE: Authority cited: Sections 11314 and 11315, Business and Professions Code. Reference: Sections 480, 490 and 11320 Business and Professions Code.

### **3729. Conference to Consider Allegations, Notice**

(a) Not less than 30 calendar days after a Notice of Conference has been issued, unless the applicant or licensed appraiser requests an earlier date, an informal conference may, at the discretion of the Office, be held, in which the applicant or licensed appraiser shall have an opportunity to show why the Office should not proceed with a disciplinary action.

(b) The conference shall be closed to all except the applicant or licensed appraiser and his or her representative, if any, and the person or persons designated by the Director. The office shall not release or give out any information received in the conference or in connection with the confidential investigation report to any person not authorized by law to receive such information.

(c) Within 60 calendar days after the conference, the licensed appraiser shall be given written notice either that:

(1) The Office has determined that further action or proceedings are not warranted;

(2) The matter has been resolved by stipulation or agreement, together with the terms and conditions thereof; or

(3) An accusation or statement of issues will be filed or a citation issued against him or her.

NOTE: Authority cited: Section 11314 Business and Professions Code.

Reference: Sections 11503 and 11504, Government Code.

### **3730. Suspension of License After Informal Conference**

(a) The Director may, after an informal conference, suspend the license of any person who procured the issuance of a license for himself or herself by fraud, misrepresentation, deceit, or by the making of any material misstatement of fact in his or her application for such license.

(1) The authority of the Director to order such suspension of a license shall expire 180 days after the date of issuance of said license.

(2) The suspension itself shall remain in effect only until the effective date of a decision of the Director after a hearing conducted pursuant to these regulations.

(b) The Director may, after an informal conference, suspend the license of any person who is convicted of a crime which is, or that there is probable cause to believe that it is, substantially related to the duties of an appraiser and

continuation of the licensed activity poses a serious threat of harm to the health, safety or welfare of the public.

(c) The Director may, after an informal conference, suspend the license of any person who is alleged to have committed an act, or there is probable cause to believe that an act has been committed that is substantially related to the duties of an appraiser and continuation of the licensed activity poses a serious threat of harm to the health, safety or welfare of the public.

(d) Notwithstanding Section 3729, an informal conference regarding allegations subject to this section may be held not less than 10 calendar days after a Notice of Conference has been issued, unless the applicant or licensed appraiser requests an earlier date.

(e) Upon issuance of a suspension under this section, the Director shall proceed as prescribed by Chapter 3 (commencing with Section 490) of Division 1.5 of the Business and Professions Code and the Office shall have all the powers granted therein.

NOTE: Authority cited: Sections 11313, 11314 and 11315, Business and Professions Code. Reference: Section 494, Business and Professions Code.

### **3731. Renewal of Suspended or Revoked License**

(a) A license which is suspended is subject to expiration.

(b) A licensee whose license is suspended may apply for renewal as provided in this chapter. Such renewal does not entitle the licensee, while the license remains suspended, and until it is reinstated, to engage in the licensed activity, or in any other activity or conduct in violation of the order or judgment by which the license was suspended. The holder of a suspended license shall comply with all continuing education requirements.

(c) A license which is revoked shall not be renewed. Petition for reinstatement may be made by the former licensee not less than one year after revocation or denial of a prior petition for reinstatement by submitting a new application for licensure in accordance with Article 4, including the payment of all fees in accordance with then existing requirements, plus any outstanding fees, fines or penalties. The former licensee shall include with the application a written statement signed and dated under penalty of perjury detailing how the Criteria of Rehabilitation contained in Section 3723 apply to his or her circumstances.

NOTE: Authority cited: Sections 11313, 11314, 11320, 11321, and 11340, Business and Professions Code. Reference: Sections 11313, 11314, and 11340, Business and Professions Code.

### **3732. Restricted or Conditional License**

A restricted or conditional license issued pursuant to this chapter shall contain the restriction or condition until it is lifted, in writing, by the Director.

(a) In order to have the condition or restriction removed, the licensee shall submit to the Office a letter requesting the condition or restriction be lifted, along with appropriate evidence of compliance with any restriction or condition, and the appropriate fees as provided in Section 3582.

(b) The Director may, without hearing, issue an order suspending a licensee's right to further exercise any privileges granted under a restricted or conditional license pending final determination made after formal hearing, except, that a restricted or conditional license requiring completion of educational requirements shall be automatically suspended upon the licensee's failure to comply with the condition or restriction. The suspension shall not be lifted until the suspended licensee has submitted the required evidence of course completion with the appropriate fees as provided in Section 3582, and the Director has given written notice to the licensee of the lifting of the suspension.

NOTE: Authority cited: Sections 11313, 11314, 11320, 11321, Business and Professions Code. Reference: Sections 11313, 11314 and 11320, Business and Professions Code.

## **ARTICLE 13. INVESTIGATIONS AND HEARINGS**

### **3741. Consent Determinations**

(a) At any time after the Director has served a Notice of Conference, or after the Director has served a Statement of Issues or an Accusation against an applicant or licensed appraiser and a Notice of Defense has been filed, the applicant or licensee and the Office may enter into a settlement upon terms which include a plan for abatement of the violation or rehabilitation or re-qualification of the applicant or licensed appraiser within a specified time, consistent with other provisions of law and regulations.

(b) If the Director determines that the public interest would not be prejudiced by a settlement of the disputed facts by the issuance of a restricted license he/she may order such issuance upon such lawful terms and conditions as he/she may deem appropriate to impose and which the applicant or licensed appraiser may deem appropriate to accept.

NOTE: Authority cited: Sections 11314 and 11340, Business and Professions Code. Reference: Section 11314, Business and Professions Code.

## **ARTICLE 14. PERSONAL INFORMATION**

### **3761. Personal Information, Access**

(a) Unless otherwise exempted by law, every person or his or her designated representative upon reasonable notice, identification and payment of copy fees shall have the following rights to inspect Office records containing personal information about himself or herself:

- (1) To know if the OREA maintains any record about him or her;
- (2) To inspect and to obtain a readable copy of such record if it exists;
- (3) To request correction or amendment of such record if it is inaccurate or incomplete;
- (4) To know if such record has been disclosed to any other person or agency, and the times and conditions of such disclosure;
- (5) To be heard by the Director if any of these rights are abridged or denied;
- (6) If the Director denies a request for correction or amendment of a personal record, to receive a concise statement of the reasons for the Director's denial, and to file a statement of reasonable length setting forth the reasons for the disagreement; and to have copies of such reasons and statement of disagreement made available by OREA to any persons or agency to whom the disputed record has been or is disclosed.

(b) All personal records about persons regulated by the Office are maintained at its office. Requests for access to such records should be addressed as follows:

**Office of Real Estate Appraisers**  
1102 Q Street, Suite 4100  
Sacramento, CA 95814  
(916) 552-9000

(c) The rights specified in (a)(1) through (6) are not exclusive, and do not foreclose rights which may be available under other provisions of law.

(d) Inquiries relating to whether or not licenses are current and in good standing are excluded from the requirement contained in (a)(4) above.

NOTE: Authority cited: Sections 11313 and 11314 Business and Professions Code. Reference: Section 1798.30, Civil Code.

## **ARTICLE 15. OFFICE OF REAL ESTATE APPRAISERS CONFLICT OF INTEREST CODE**

It having been found, pursuant to Government Code section 11344, that the printing of regulations constituting the Conflict of Interest Code is impractical and these regulations being of limited and particular application are not published in full in the California Code of Regulations. The Regulations are available to the public for review or purchase at cost at the following locations:

Office of Real Estate Appraisers  
~~1225 "R" Street~~ 1755 Creekside Oaks Dr., Suite 190  
Sacramento, CA ~~95814~~ 95833

Fair Political Practices Commission  
1100 "K" Street  
Sacramento, CA 95814

Archives  
Secretary of State  
1020 "O" Street  
Sacramento, CA 95814

The conflict of interest code is designate as article 15 of chapter 6.5 of title 10 of the California Code of Regulations, and consists of sections numbered and titled as follows:

Article 15. Office of Real Estate Appraisers--Conflict of Interest Code

Section

**3780.** General Provisions  
Appendix A  
Appendix B

NOTE: Authority cited: Section 87300, Government Code. Reference: Sections 87300-87302 and 87306, Government Code.